Form (2) Sr. No. 1433
Dated 28.11.97

The Myanmar Investment Commission

PERMIT

Permit No. 293 /97 *Date* 28th NOVEMBER 1997

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. WONG MONG HONG

(b) Citizenship SINGAPOREAN

(c) Address 18 SENOKO LOOP, SINGAPORE 758152

(d) Name and address of principal organization FAR EAST MYANMAR PACKAGING PTE LTD, SINGAPORE

(e) Place of incorporation SINGAPORE

(f) Type of business in which investment is to be made MANUFACTURING OF CARDBOARD CARTONS

(g) Place (s) at which investment is permitted PLOT NO.(97), HLAING THAR YAR INDUSTRIAL ZONE PART (3)

(h) Amount of foreign capital US$ 10.0 MILLION

(i) Period for bringing in foreign capital WITHIN THREE YEARS FROM THE DATE OF SIGNING OF THE AGREEMENT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 10.0 MILLION

(k) Permitted duration of investment 20 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANMAR FAR EAST CARTON LIMITED

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
စာအမှတ် ၁၄၃၃
နေ့စွဲ ၂၈-၁၁-၉၄

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၂၉၃/၉၄ ၁၉၉၄ ခုနှစ်၊ နိုဝင်ဘာလ ၂၈ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် –

(က) ကမကထပြုသူ၏အမည် MR. WONG MONG HONG

(ခ) မည်သည့်နိုင်ငံသား SINGAPOREAN

(ဂ) နေရပ်လိပ်စာ 18 SENOKO LOOP, SINGAPORE 758152

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ FAR EAST MYANMAR PACKAGING PTE LTD, SINGAPORE

(င) ဖွဲ့စည်းရာအရပ် SINGAPORE

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ကတ္တူ စက္ကူပုံး ထုတ်လုပ် ရောင်း ချခြင်း လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် (၉၅) လှိုင်သာယာစက်မှုဇုန်အပိုင်း (၃)

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁၀.၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ စာချုပ်ချုပ်ဆိုပြီး (၃) နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁၀.၀ သန်း နှင့်သီးမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၂၀ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် MYANMAR FAR EAST CARTON LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/429/97(1433)
Dated 28th November 1997

Tel : 272219, 272855
Fax : 095-01-282101

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Cardboard Cartons" under the name of "Myanmar Far East Carton Limited".

Reference: Ministry of Construction Letter No. 36/Khwe-3/97 (C 2788) dated 5-11-97.

1. The Myanmar Investment Commission, at its meeting 18/97 held on 7-11-97 had reviewed the proposal for investment in "Manufacturing of Cardboard Cartons" under the name of "Myanmar Far East Carton Limited" submitted by Far East Myanmar Packaging Pte Ltd. of Singapore as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 39/97 held on 20-11-97 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 20(Twenty) years from the date of signing of the Lease Agreement and extendible for another two 5(Five) years terms upon mutual agreement between Department of Human Settlement and Housing Development and Myanmar Far East Carton Limited. At the end of the leased period, Myanmar Far East Carton Limited shall transfer the land and immovable properties to the Department of Human Settlement and Housing Development within 3(Three) months in good condition, ground damages having been refilled or repaired.

4. Myanmar Far East Carton Limited shall provide a Performance Bank Guarantee to the amount of US $ 250,000 (United States Dollars Two Hundred and Fifty Thousand Only) in favour of the Department of Human Settlement and Housing Development within 30(Thirty) days after the signing of the Lease Agreement.

5. The annual rent shall be US $ 3 (United States Dollars Three Only) per square metre per annum for the project area (8093.72 square metre) to the amount of US $ 24281.16 (United States Dollars Twenty Four Thousand Two Hundred Eighty One and Sixteen Cent Only). The rent shall be

revised every 5(Five) years and the increase of the rent shall not be more than 15 (Fifteen) percent of the preceding annual rent.

6. Myanmar Far East Carton Limited shall pay management fee for maintenance of the Industrial Zone as prescribed by the Management Committee of the Industrial Zone.

7. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(a), exemption from income-tax up to three consecutive years from the year of commencement of commercial operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Myanmar Far East Carton Limited shall apply for such exemption only after 3-year tax holiday period.

(c) As per Section-21(c), Myanmar Far East Carton Limited shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Myanmar Far East Carton Limited shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(e), Myanmar Far East Carton Limited shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(e) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(f) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Myanmar Far East Carton Limited shall apply, upon actual performance of such research and development programme, only after 3-year tax holiday period.

(g) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Myanmar Far East Carton Limited shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(h) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(i) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are

actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Construction.

8. Myanmar Far East Carton Limited, shall have to sign One Hundred Percent Foreign Investment Contract and the Lease Agreement with Department of Human Settlement and Housing Development. After signing such Agreements, (5) copies each of those shall have to be forwarded to the Commission.

9. Myanmar Far East Carton Limited, in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

10. Myanmar Far East Carton Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

11. The official date of operation shall be reported to the Commission.

12. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. Myanmar Far East Carton Limited shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

13. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

14. Whenever Myanmar Far East Carton Limited brings in foreign capital defined under Section 2(h) of the said Law, other than foreign currency in the manner stated in paragraph 13(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

15. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

16. Myanmar Far East Carton Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. Myanmar Far East Carton Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

18. Myanmar Far East Carton Limited shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

19. Payment of principal and interest of the loan (if any) shall only be made out of the official foreign exchange earnings of Myanmar Far East Carton Limited.

20. Myanmar-Far East Carton Limited, in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

By Order,

Brig-Gen Maung Maung
Secretary

Mr. Wong Mong Hong
Far East Myanmar Packaging Pte Ltd.
c/o Director General
Department of Human Settlement and Housing Development

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Ministry of National Planning and Economic Development
5. Ministry of Finance and Revenue
6. Ministry of Commerce
7. Ministry of Construction
8. Ministry of Foreign Affairs

9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
13. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
14. Director General, Directorate of Investment and Company Administration
15. Director General, Customs Department
16. Director General, Internal Revenue Department
17. Managing Director, Myanma Foreign Trade Bank
18. Managing Director, Myanma Investment and Commercial Bank
19. Managing Director, Myanma Insurance
20. Director General, Directorate of Trade
21. Director General, Immigration and Manpower Department
22. Director General, Directorate of Labour
23. Chairman, Union of Myanmar Chamber of Commerce and Industry